



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#26 JANUARY 10, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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Board of Supervisors

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January 10, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO NURSE ADVICE LINE AND
DISEASE/CARE MANAGEMENT SERVICES AGREEMENT
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to execute an Amendment to the Nurse Advice Line and Disease/Care Management Services Agreement with McKesson Health Solutions LLC to extend the term and add services similar in scope, as needed, to the Agreement.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 6 to Agreement No. H-703016 with McKesson Health Solutions LLC (McKesson) to extend the Agreement effective upon Board approval for the period February 1, 2012 through December 31, 2013 for the continued provision of Nurse Advice Line Services (NAL) at the same rates, with an increase to the maximum obligation in the amount of \$345,871.
2. Delegate authority to the Director, or his designee, to revise Agreement as appropriate to add Department of Health Services' (DHS or Department) facilities as users, as needed, at the same reimbursement rates, terms and conditions upon review and approval by County Counsel, and notice to your Board and the Chief Executive Office ten days prior to execution of any related amendment.
3. Delegate authority to the Director, or his designee, to periodically update

the County contract provisions in the form of an amendment(s), as necessary, upon recommendation by County Counsel and CEO Risk Management Operations to revise or add County-mandated provisions and allow for the rollover of unspent funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

DHS uses the Nurse Advice Line and Disease/Care Management Services Agreement to provide telephonic NAL services for the assessment of Healthy Way LA (HWLA) enrollee's health concerns and as a triage to help the enrollee determine whether urgent or immediate care is needed, thus reducing unnecessary emergency room visits. The current Agreement expires on January 31, 2012.

Approval of the first recommendation will allow the Director, or his designee, to execute an Amendment, substantially similar to Exhibit I, extend the Agreement term with McKesson through December 31, 2013. The extension of this Agreement is needed to maintain NAL services as a HWLA member benefit.

Approval of the second recommendation will allow the Director, or his designee, to execute an amendment that will extend NAL services to County patients (non-HWLA enrollees), as needed, during the Agreement term. DHS is considering the use of NAL services as a resource to help decrease emergency and inpatient recidivism across the DHS system.

Approval of the third recommendation will allow DHS to update contract language, as needed, and allow for unspent funding to rollover to subsequent Fiscal Years.

Implementation of Strategic Plan Goals

The recommended action(s) support(s) Goal 1, Operational Effectiveness, and Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost for Fiscal Year (FY) 2011-12 is \$46,284. Funding for these services is included in the FY 2011-12 Final Budget and will be requested in future years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On November 27, 2007, your Board approved a sole source Agreement with McKesson for the provision of nurse advice line, disease management, complex case management and wellness program services for HWLA enrollees and Community Health Plan (CHP) members. On September 8, 2009 your Board approved Amendment No. 1. The Department exercised its delegated authority through subsequent amendments.

On July 26, 2011, your Board delegated authority to execute amendments and contract assignments/delegations to transition all lines of business from Community Health Plan (CHP) to L.A. Care, and subsequently transition CHP members to L.A. Care. The proposed amendment revises the Agreement to no longer include nurse advice line, disease management, and complex case management program services for CHP members because of the transition.

Either party may terminate this Agreement, without cause, by giving the other party at least 60 calendar days advanced written notice. The recommended Amendment includes the latest provisions mandated by your Board.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure that triage and/or screening services by a healthcare professional is accessible as a covered benefit for HWLA enrollees.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:smc

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

NURSE ADVICE LINE AND DISEASE/CARE
MANAGEMENT SERVICES AGREEMENT

AMENDMENT NO. 6

THIS AMENDMENT is made and entered into this ____ day
of _____, 2012,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MCKESSON HEALTH SOLUTIONS LLC
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "NURSE
ADVICE LINE AND DISEASE/CARE MANAGEMENT SERVICES AGREEMENT",
dated November 27, 2007, and any amendments thereto, all further identified as
Agreement No. H-703016 (hereafter "Agreement");

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by both parties.

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall become effective _____, 2012.
2. Paragraph 1 of the Agreement, TERM, Subparagraph A , shall be deleted in
its entirety and replaced with the following language:

"A. This Agreement shall be effective upon date of approval by the
County Board of Supervisors (Board), and shall continue, unless sooner
terminated or canceled, in whole or in part, as provided in this Agreement in full
force and effect to and including December 31, 2013."

3. Paragraph 2 of the Agreement, TERMINATION OF AGREEMENT, Subparagraph A, shall be deleted in its entirety and replaced with the following language:

“A. Without Cause Termination: Either party may terminate this Agreement, in whole or in part, at any time and for any reason, without cause, by giving at least sixty (60) calendar days advanced written notice thereof to the other party in accordance with the NOTICES Paragraph below, such termination to occur as of midnight of the last day of the calendar month during which the last day of such sixty (60) calendar days period occurs.”

4. Paragraph 4 of the Agreement, MAXIMUM OBLIGATION OF COUNTY, Subparagraph A, shall be deleted in its entirety and replaced with the following language:

“A. The Maximum Obligation under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all tasks, subtasks, deliverables, goods, services and other work specified under this Agreement. The Maximum Obligation for this Agreement, including all applicable taxes, authorized by County hereunder is Fifteen Million, Seven Hundred Ten Thousand, One Hundred Sixty-Eight Dollars (\$15,710,168) as set forth in Exhibit C-2, BUDGET.”

5. Paragraph 12 of the Agreement, GENERAL INSURANCE REQUIREMENTS, Subparagraph A.(3), shall be deleted in its entirety and replaced with the following language:

“(3) Contractor shall provide County with, or Contractor’s insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.”

6. Paragraph 12 of the Agreement, GENERAL INSURANCE REQUIREMENTS, Subparagraph C, shall be deleted in its entirety and replaced with the following language:

“C. Failure to Maintain Coverage: Contractor’s failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.”

7. Paragraph 18 of the ADDITIONAL PROVISIONS, COUNTY'S QUALITY ASSURANCE PLAN, shall be deleted in its entirety and replaced with the following language:

"18. COUNTY'S QUALITY ASSURANCE PLAN

A. The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards identified in the Statement of Work. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors.

B. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

C. The County maintains databases that tract/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option."

8. Paragraph 45 of the ADDITIONAL PROVISIONS, BACKGROUND AND SECURITY INVESTIGATIONS, shall be added to the Agreement to read as follows:

"45. BACKGROUND AND SECURITY INVESTIGATIONS

A. All Contractor staff performing work under this Agreement may undergo and pass, to the satisfaction of County, a background investigation as a condition of

beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation. County may perform the background check and bill Contractor for the cost or deduct such amount from funds owed by County to Contractor.

B. County may request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.

C. County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.

D. Disqualification, if any, of the Contractor's staff, pursuant to this subparagraph 45, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement."

9. Exhibit A-1, STATEMENT OF WORK, shall be deleted in its entirety and replaced with Exhibit A-2, STATEMENT OF WORK, attached hereto and incorporated herein by reference. Any reference to Exhibit A-1 in the Agreement thereof shall now be deemed to reference Exhibit A-2.

10. Exhibit B-1, BILLING AND PAYMENT, shall be deleted in its entirety and replaced with Exhibit B-2, BILLING AND PAYMENT. Any reference to Exhibit B or Exhibit B-1 in the Agreement thereof shall now be deemed to reference Exhibit B-2.

11. Schedule B-1, RATE SCHEDULE, shall be deleted in its entirety and replaced with Schedule B-2, RATE SCHEDULE. Any reference to Schedule B or Schedule B-1 in the Agreement thereof shall now be deemed to reference Schedule B-2.

12. Exhibit C-1, BUDGET, shall be deleted in its entirety and replaced with Exhibit C-2, BUDGET. Any reference to Exhibit C or Exhibit C-1 in the Agreement thereof shall now be deemed to reference Exhibit C-2.

13. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director

MCKESSON HEALTH SOLUTIONS LLC
Contractor

By _____
Signature

Printed Name

Title _____

APPROVED AS TO FORM
BY THE OFFICE OF COUNTY COUNSEL

EXHIBIT A-2

NURSE ADVICE LINE AND DISEASE MANAGEMENT SERVICES

1. SCOPE OF SERVICES:- The purpose of this Agreement is to provide HWLA enrollees, as mutually agreed upon by both County and Contractor, with nurse advice line services.
2. STATEMENT OF WORK: Contractor agrees to provide services to County as described in the "Statement of Work" attached hereto as Exhibit A-2, and incorporated herein by reference.

Contractor shall respond to County with specific and detailed Responsibilities/Tasks/Deliverables documentation sufficient to explain its ability to meet the criteria including staff qualifications, organizational structure, and staffing requirements no later than thirty (30) days after Board approval has been obtained.

A. **Contractor Management Services**-The Contractor is required to perform all necessary management responsibilities to ensure contract compliance. The Contractor shall provide General Management services and duties as they apply to the program. These include, but are not limited to: Organizing effective and efficient business processes; Developing a comprehensive business strategy for managing services; Planning for those areas considered critical to performance of the contract and supporting them with appropriate Policies and Procedures; and Appointing competent managers, supervisors, lead persons, technical staff, and licensed and unlicensed personnel. Contractor's personnel shall have sufficient training, experience, knowledge or other qualities to enable them to properly undertake the responsibilities, and have the knowledge to understand the work involved have the capacity to apply these to the tasks required.

B. **Contractor Administrative Services**-Contractor shall provide sufficient supervisory, administrative and direct services to Contractor personnel to accomplish the services required under this Contract. County may request that any Contractor employee/worker be removed from performing any services directly related to the subject matter of this Agreement.

C. **Contractor Performance Outcome Measures**-The Agreement includes Performance Outcome Measures as specified in the Statement of Work, Exhibit A-2 for nurse advice line. Parties recognize that no fees or penalties are applicable to Performance Outcome Measures.

D. **Contractor Personnel Training**-Contractor shall ensure that staff is provided appropriate training to ensure effective and efficient service delivery.

E. **Contractor Staff**-Contractor shall provide services as outlined in the Statement of Work (SOW) and shall be responsible for the overall day-to-day activities, management and coordination of the Agreement and liaison activities with County. The Contractor shall provide qualified staff including appropriately licensed/credentialed personnel to meet the needs and requirements of the Program services outlined in the Statement of Work. Duties of Contractor shall include, but is not necessarily limited to the following: Administrative supervision and management oversight of the contracted services; Preparation and submission of monthly, quarterly or annual reports, invoices and other required documentation; Oversight of all Agreement requirements, including any subcontractor services; Ensure contract compliance; Medical supervision and oversight of health care staff; Participate in monitoring activities and meetings with County staff and On-call availability for emergency situations.

F. **Contractor Staff Desirable Minimum Qualifications (for licensed and unlicensed staff)**-Contractor's staff shall have extensive experience including working in such programs, as described in the SOW, knowledge and understanding of program-

related problems and principles, program expertise and knowledge of County contract compliance, knowledge of contract requirements, budgets and invoicing processes, ability to document staff work activities and provide administrative supervision and oversight, and ability to plan and organize service activities of staff.

G. **Contractor Quality Control/Improvement Plan (QC/IP)**-Contractor shall utilize a comprehensive QC/IP to assure the County of a consistently high level of quality and service throughout the term of this Agreement. The QC/IP is subject to review by the County. Revisions to the Plan shall be submitted as changes occur during the term of the Agreement.

The QC/IP shall include, but not be limited to the following: Method for assuring that professional staff providing services under this Agreement have qualifying experience; Method for monitoring to ensure that Agreement requirements are being met; Method for monitoring subcontractors, if any, for compliance with established standards and quality of services; Method for identifying, preventing and correcting deficiencies in the quality of service before the level of performance becomes unacceptable; Method for assuring that confidentiality of patients'/members' information is maintained; Method for a program participant to submit a grievance for proper review and resolution; Method for resolving problems and addressing any participant grievances that shall include, but is not limited to, when the problem was first identified and the corrective action taken (Report shall be provided to the County upon request); and Method for monitoring progress towards achieving performance measures.

H. **Contractor Discrepancy Reports (CDR)**-Written notification of a Contract discrepancy shall be made to Contractor by County, as soon as possible, whenever a Contract discrepancy is identified. The responsible party must resolve the problem within a reasonable time period mutually agreed upon by the County and the Contractor. The County shall determine whether a formal Contract Discrepancy Report

(CDR) shall be issued. Upon receipt of this document, Contractor is required to respond in writing to the County within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan, including a timetable, for correction of all deficiencies must follow.

If a CDR is issued, and at the discretion of the County, a meeting shall be held within five (5) business days, as mutually agreed, to discuss the problem. In the event that Contractor is unable to satisfactorily resolve the discrepancy, the County shall submit a written statement to Contractor within ten (10) business days from the date of receipt of the signed action items. Failure of Contractor to provide a written statement of response shall result in the acceptance of the action items as written. If any dispute is still unresolved, the decision of County shall be final.

I. **Contractor Responsibility and Equipment/Supplies/Materials/Furnished Items** -Contractor is responsible for obtaining and providing staff with all training, supervision, equipment and supplies necessary to perform the services included in the SOW of this Agreement.

J. **Contractor Record Keeping**-Contractor shall maintain retrievable records relating to each HWLA enrollee serviced under this Agreement. Records shall be maintained at a central facility for seven (7) years from termination of this Agreement or until all audits are completed and settled, whichever is later. The records shall be kept either electronically or paper-based in folders, identifiable by HWLA enrollee and available upon County request and transferred to County.

K. **Reporting Tasks**-Contractor shall generate/produce reports as may be required by the County concerning its activities as they affect the Agreement duties and purposes contained herein. Any other ad hoc statistical reports as reasonably requested by the County, Board of Supervisors, the State, or other County agencies or entities for budgetary or other purposes. If County requests that Contractor create ad hoc reports

or wishes to change standard reports, Contractor will quote County a fee for providing such report in accordance with the rates set forth in Schedule B. Contractor further understands and agrees that County must agree to such quote prior to performing such work.

L. **Contractor Provider and HwLA Enrollee Satisfaction Data**

Collection/Reporting-Contractor shall complete a Customer Satisfaction Survey (format to be jointly determined) on at least an annual basis and submit copies to County annually. This survey should reflect a statistically sound sampling of members.

M. **Grievances and Complaints**-Contractor shall provide electronic documentation of all Member and provider complaints, grievances and/or appeals received "Complaints" and forward documentation of the Complaint, grievances and/or appeals to County by 5 p.m. (PT) of the next business day after the complaint, grievance or appeal is received.

N. **Disaster Recovery Program**—Contractor will maintain and update a disaster recovery plan and shall annually provide evidence of testing for business continuity.

O. **Data**-Parties agree to create and maintain a data management manual. . County agrees to provide Contractor with the data necessary to provide services in accordance with the data management manual. County shall supply Contractor with member eligibility, provider and claims or encounter data ("County data") in an electronic format according to the data specifications agreed upon by the parties. County agrees that Contractor's provision of services is dependent upon receipt of County data and that Contractor's performance may be delayed or rendered impossible or impracticable due to County's failure to fulfill its obligation to supply data. Contractor shall have no independent obligation to verify the accuracy or completeness of any such data supplied by County.

3. PAYMENT: County agrees to compensate Contractor for services provided under this Agreement, as set forth in the BILLING AND PAYMENT Paragraph of the body of this Agreement and in accordance with the rate schedule, as set forth in Exhibit B-2, attached hereto.

4. EVALUATION OF SERVICES: In the interest of evaluating the services provided hereunder, Contractor's performance shall be measured by the County to determine the extent to which performance standards and requirements listed in the Statement of Work have been met. County shall use such measurements, in conjunction with other available information, to determine the adequacy of Contractor's performance and to develop recommendations for continuation of services.

Contractor shall maintain sufficient documentation to permit a comparison of actual performance to required performance under the terms of this Agreement.

5. DEFINITIONS: Unless otherwise expressly provided or the context otherwise requires, and to the extent applicable to this Agreement, the following definitions of terms shall govern the construction of Exhibits A, A-1, and A-2 as well as B, B-1 and B-2, as appropriate:

A. Accreditation: A rigorous and comprehensive evaluation process through which the National Committee for Quality Assurance (NCQA) assesses the quality of the key systems and processes that define a health plan. Accreditation also includes an assessment of the healthcare and administrative services provided by the health plan.

B. Criteria: Systematically developed, objective and quantifiable statements used to assess the appropriateness of specific health care decisions, services and outcomes.

C. Delegation: A formal process by which the organization gives another entity the authority to perform certain functions on its behalf. Although the organization may delegate the authority to perform a function, it may not delegate the responsibility for ensuring that the function is performed appropriately.

- D. Director: Director of Health Services or his/her authorized designee.
- E. HWLA Enrollee: Healthy Way L.A. member.
- F. Facility(ies): Medical Centers, Rehabilitation Centers, Health Centers, or Ambulatory Care Centers all within Department of Health Services.
- G. Documented Process: Policies and procedures, process flow charts, protocols and other mechanisms that describe the methodology used by the organization to complete a task.
- H. HEDIS (Health Plan Employer Data Information Set): A set of standardized performance measures designed to allow reliable comparison of the performance of managed health care plans.
- I. CAHPS (Consumer Assessment of Healthcare Providers and Systems): A set of standardized surveys that measure patient satisfaction with the experience of care. CAHPS is sponsored by the Agency for Health Care Research and Quality (AHRQ).
- J. Managed Care Organization (MCO): A system of healthcare delivery that manages quality, utilization and cost of services, and which measures performance in the area of medical care.
- K. Materials: Prepared materials or content that the organization provides to its members and practitioners, including written communication, Web sites, scripts, brochures, reviews and clinical guidelines.
- L. Monitor: A periodic or ongoing activity to determine opportunities for improvement, effectiveness of interventions on compliance with contractual requirements.
- M. Nurse Advice Line: 24 hours per day, seven days per week multilingual telephone service that provides HWLA enrollees with timely clinical direction and

referrals from specialty-trained nurses and other health professionals, to improve their health and ensure appropriate utilization of clinical services.

N. Performance Goal: A desired level of achievement in standards of care or service. Goals may be expressed as desired minimum performance levels (*thresholds*), industry-best performance (*benchmarks*) or the permitted variance from the standard. Performance goals usually are not static, but change as performance improves or as the standard of care is refined.

O. Performance Measure: A quantifiable measure to assess how the organization carries out specific functions or processes.

P. Policies and Procedures: A documented process that describes the course of actions taken and the method in which the action will be carried out by the organization's staff to achieve objectives.

Q. Product Line: Programs offered to distinct populations brought forward by an organization for evaluation. MCO product lines are commercial, Medicare and Medicaid.

R. Reports: Aggregated sources of evidence of action or performance in an element, including management reports; key indicator reports; summary reports from member reviews; system output giving information like number of member appeals; minutes; and other documentation of actions that the organization has taken.

S. Standard/Element: A standard is a statement about acceptable performance or results. The element is the component of a standard that is scored and provides details about performance expectations. NCQA evaluates each element within a standard to determine the degree to which the organization has met the requirements within the standard.

T. Sub-delegation: A process whereby the organization's delegate gives a third entity the authority to carry out a delegated function.

EXHIBIT A-2

NURSE ADVICE LINE AND DISEASE MANAGEMENT SERVICES

1. DESCRIPTION OF SERVICES:

Notwithstanding any other terms of this Agreement, Contractor shall perform the following tasks:

| TASK NO. | TASK DIRECTIVE | SUBTASKS | DELIVERABLES |
|-----------------|--|--|--|
| 1.0 | <p>1.1 NURSE ADVICE LINE ("NAL")</p> <p>NAL services to be provided 24 hours/7 days per week, 365 days per year for enrolled Healthy Way L.A. enrollees and the Department of Health Services (DHS) facilities (County enrollee/member participants) as agreed upon.</p> | <p>1.1.1 Contractor staff shall act in a professional manner in welcoming and assisting the HWLA enrollees in providing services.</p> <p>1.1.2 The NAL will provide immediate triage assessment by an RN, referral services, and patient education services to HWLA enrollees.</p> <p>1) recommend callers seek clinically appropriate level of care, within an appropriate timeframe, and proper setting; and,</p> <p>2) provide education to HWLA enrollees on how to better manage their own health.</p> <p>1.1.3 Services, programs, forms, signs, notices and other written materials that contractor uses for the provision of services must be available and offered in English and Spanish; and other required languages as requested by County and mutually agreed upon by both parties.</p> <p>1.1.4 Provide interpretation services for HWLA enrollees who need them.</p> | <p>1.1.1.1 Contractor shall establish and maintain a toll-free number for HWLA.</p> <p><u>1.1.2.1</u> Based on the "ER Referral Script", as agreed upon by Contractor and County, provide ER referral information to those members who ask if ER services are covered.</p> |

| TASK NO. | TASK DIRECTIVE | SUBTASKS | DELIVERABLES |
|-----------------|---|---|--|
| 2.0 | 2.1 Call Center Services | <p>2.1.1 Contractor shall notify County of any HWLA enrollees who received advice to seek the services of a practitioner or provider within 24-48 hours of the advice/referral. The timeliness of notification will be commensurate with the imminence of member referral.</p> <p>2.1.2 Contractor shall not diagnose a caller's ailment or provide treatment.</p> <p>2.1.3 Contractor shall refer HWLA enrollees to County Medical Home for next day appointments when appropriate. Contractor will initiate a fax transmission to notify County Medical Home/next day appointment provider (with valid fax number provided by County) when enrollee/member participants is referred for a next day appointment. Contractor will initiate the transmission to the County Medical Home/next day appointment provider of members referred for next day appointments automatically at the end of the call.</p> <p>2.1.4 Contractor shall provide County with a daily electronic file containing call record information on NAL calls from the previous day.</p> | <p>2.1.1.1 Contractor's goal is to provide Comprehensive Patient Daily Call Log on McKesson's CDAT by 10:00 a.m. daily (PST), barring unforeseen circumstances.</p> <p>.</p> <p>2.1.3.1 Contractor will work closely with County staff to develop a plan to identify and HWLA enrollees to County Medical Home for next day appointments. Contractor will notify County when vendor is aware of System failure resulting in a delay of fax transmission. Provide monthly reports of failed faxes transmissions via the fax status report.</p> <p>2.1.4.1 Contractor shall provide County with a Comprehensive Daily Call Log daily, with a goal of 10:00 a.m. (PST), barring unforeseen circumstances.</p> |
| 4.0 | 4.1 Increase/decrease of HWLA enrollees | <p>4.1.1 County shall be responsible for advising Contractor when HWLA enrollee changes occur to enable Contractor to adjust staffing needs accordingly to ensure a seamless transition.</p> | <p>4.1.1.1 County shall notify Contractor via written notification within 60 days or as soon as possible in the event changes are unforeseen.</p> |

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|-----|------------------------------|--|---|
| 5.0 | 5.1 Contractor Staffing Plan | <p>5.1.1 Contractor shall continually monitor its staffing plans throughout the life of the contract to ensure appropriate services to HWLA enrollees. County agrees to provide Contractor with notice of its intent to enroll a block of additional new enrollees within 60 days.</p> <p>5.1.2 County also agrees to provide Contractor with 60 days notice of its intent to remove a block of HWLA enrollees. In the event that such removal is due to unforeseen events, County shall provide notice to Contractor within a reasonable time frame.</p> | 5.1.1.1 Contractor shall analyze the projected increase in call volume and shall notify County of the period of time that is necessary for Contractor to increase staffing levels to handle the increased call volume. |
| 6.0 | 6.1 Algorithms | 6.1.1 Upon request, Contractor shall provide County with a copy of the algorithms and incorporated self-care and education instructions ("Standard Algorithms") for County's review. | |
| 6.0 | 6.1 Reporting | <p>6.1.1 Contractor shall provide County with a standard monthly reporting package, agreed upon by the County, which shall enable County to monitor the effectiveness of the NAL Services. Standard reports shall be provided to County on-line via CDAT. These standard reports may change as Contractor adds reports, deletes reports or enhances existing reports.</p> <p>6.1.2 If County requests that Contractor create a new report or wishes to change standard reports, Contractor will quote County a fee for providing such reports. At County's request, Contractor will fax call records to County's designated health care providers, or to other County designated parties as instructed by County. The fee for this service excluding the faxing of</p> | <p>6.1.1.1 Contractor shall provide the standard NAL reports. Reporting frequency for the following report will be daily:</p> <ul style="list-style-type: none"> • Comprehensive Patient Daily Call Log by 10:00 a.m. (PST). The time of delivery is a goal, barring unforeseen circumstances. • Patient Encounter Detail by Client by 10:00 a.m. (PST). The time of delivery is a goal, barring unforeseen circumstances.) <p>Reporting frequency for the following reports will be monthly:</p> |

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| | | <p>the daily call report to County is \$1.00 per fax. County is responsible for providing the telephone number of a secure fax machine to Contractor. A secured fax machine is one which may only be accessed by designated personnel authorized to receive medical records of members.</p> <p>6.1.3 At County's request, Contractor shall provide HWLA enrollee's call records to County in electronic form, to County designated health care providers or to other County designated parties as instructed by County.</p> | <ul style="list-style-type: none"> • Billing Detail for Monthly Invoices as agreed upon by County and vendor • Executive Summary • Inbound and Outbound • Person Entered Encounter Types • Telephone Activity for Automated Inbound Call Type • Member Redirection/Outcomes • Algorithm Utilization Summary by Type • Top 10 Algorithm Utilization • Demographics Report • Symptomatic Calls by Day of Week and Time of Day • Customer Service/Benefits Calls by Day of Week and Time of Day • Fax Status Report |
|--|--|---|--|

Contractor Performance Outcomes Measures:

Triage or screening waiting time does not exceed 30 minutes

- Triage or screening waiting time means the time waiting to speak by telephone with a physician, registered nurse, or other qualified health professional acting within his or her scope of practice and who is trained to screen or triage an enrollee who may need care.

75% inbound calls answered in 30 seconds or less

- 5% or less of calls will be abandoned after 30 seconds

Satisfaction:

Satisfaction rating >80% of users will be satisfied or very satisfied with the nurse advice line

EXHIBIT B-2

NURSE ADVICE LINE AND DISEASE MANAGEMENT SERVICES

BILLING AND PAYMENT

1. GENERAL REQUIREMENTS: County shall, under the following terms and conditions, reimburse Contractor for the services rendered pursuant to this Agreement:

A. Reimbursement by the County shall only be for services provided under the terms of this Agreement, and shall constitute payment in full.

B. Contractor agrees that all invoices for nurse advice line services provided to HWLA enrollees, shall be submitted directly to County and further agrees that Contractor, its agents, trustees, or assignees will look solely to County for payment. Invoices and detailed supporting documentation shall be provided on a monthly basis by the 25th of each month following the month being invoiced.

C. In the event that County cannot or will not reimburse for services performed hereunder, Contractor shall hold harmless HWLA enrollees for the costs of such services.

2. BILLINGS:

A. Contractor shall bill County monthly in arrears in accordance with the rates set forth in Schedule B-2, RATE SCHEDULE, attached hereto and referenced herein.

B. Each invoice and detailed supporting documentation submitted by Contractor shall include:

1. The name of Contractor as said name appears on the first page of this Agreement, including the County contract number of this Agreement.

2. As agreed upon by Contractor and County, the billing detail will be supplied in a HIPAA compliant manner, and other work as described in Exhibit A-2, STATEMENT OF WORK, services for which payment is claimed;

3. The billing period;

4. Contractor discount, when applicable;

5. The net amount due Contractor.

6. Indication of any applicable withhold amount for payments claimed or reversals thereof.

7. Indication of any applicable credits due to County under the terms of this Agreement or reversals thereof, including credits for any liquidated damages assessed in accordance with Paragraph 33, LIQUIDATED DAMAGES, of the Additional Provisions of this Agreement.

8. Any other information requested by County's Project Director.

C. All Contractor billing(s) under this Agreement shall be forwarded to the following addresses as appropriate:

Ambulatory Care Network
1000 South Fremont Avenue
Building A-9 East, Second Floor, Unit 4
Alhambra, CA 91803-8859
Attn: Finance Section

3. PAYMENT:

A. County shall reimburse Contractor at the rates set forth in Schedule B-2, RATE SCHEDULE, and within the time timeframes defined herein.

B. Subject to the terms and conditions of this Agreement, and upon receipt of a complete and correct billing statement, County shall reimburse Contractor within thirty (30) calendar days in arrears upon receipt of Contractor's billing(s). County shall pay all services which County considers complete and correct. Payment for incorrect billings shall be included no later than the payment cycle following the month of receipt by County of Contractor's corrected billings.

C. The rates set forth under this Agreement shall be the sole consideration paid to Contractor by County.

D. Director shall evaluate all services and tasks and deliverables performed by Contractor. If, in the Director's sole discretion, Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, County shall make payment in accordance with the terms of this Exhibit for all sums invoiced except for disputed amounts. Such disputes shall be settled in accordance with Paragraph 33, LIQUIDATED DAMAGES, of the Additional Provisions of this Agreement.

SCHEDULE B-2

NURSE ADVICE LINE AND DISEASE MANAGEMENT SERVICES

RATE SCHEDULE

| | McKesson Health Solutions Program Component: Healthy Way L.A. | Standard Package | Value Added | Cost |
|---|---|-----------------------------|------------------------|---|
| 1 | <p>Nurse Advice Line (\$ Rate per Call) McKesson 24/7 Nurse Advice Line uses 450 patented binary branch chain logic symptom algorithms to assess and triage members to the appropriate level of care and time frame based on presenting symptoms. We have developed more than 990 self-care instruction sets to provide the nurse with content to help counsel the member on how to administer their own self-care and perhaps more importantly, what symptoms to watch for that would require them to call the nurse again or seek further care. Our algorithms have been proven to safely and effectively direct callers to the appropriate level of care and to most closely match physician recommendations.</p> <p>Contractor will use tiered "rate per call" schedule based on the monthly call rate (total number of HWLA annualized calls, divided by the total of HWLA enrollment for the month).</p> <p>The calculation is as follows:</p> $\frac{\text{Total Number of calls received during month} \times 12}{\text{Total Number of HWLA enrollees}}$ | X | | <p>Call rate schedule: \$28.04 for 0.001 – 0.030 call rate \$26.04 for 0.031 – 0.060 call rate \$24.08 for 0.061 or higher call rate</p> |
| 2 | Monthly Data Processing – Enrollment/Eligibility/Provider | X | | Included |
| 3 | Nurse Advice Line – Work at Home Model | X | | Included |
| 4 | Reporting—McKesson package | X | | Included |
| Estimated Program Cost | | | | |
| Fiscal Year 2011-12 (includes 1,557 NAL calls x \$28.04 rate + \$421 for translation services + \$2,204 for 5% unscheduled work) | | | | \$46,284 |
| Fiscal Year 2012-12 (includes 5,958 NAL calls x \$28.04 rate + \$1,000 for translation services + \$8,403 for 5% unscheduled work) | | | | \$176,465 |
| Fiscal Year 2013-14 (includes 4,164 NAL calls x \$28.04 rate + \$500 for translation services + \$5,863 for 5% unscheduled work) | | | | \$123,121 |
| Total | | | | \$345,871 |

Notes:

- 1) Nurse Advice Line has been selected for inclusion in the LADHS / McKesson contract.
- 2) Member Marketing Communications, Navigation, Audio Health Library and Informed Decision Support services are NOT included in the LADHS / McKesson contract. The description and references to these services contained in the statement of work are for reference in the event LADHS elects to purchase these options at a future date. The prices listed above for these services are valid for 120 days from contract signing.
- 3) Program pricing assumes no fees at risk for financial outcomes or Contractors Performance Outcome Measures.
- 4) Calls requiring Translation Services (all non-Spanish) are invoiced at 2 times the applicable per call rate.

- 5) Faxes to providers are invoiced at \$1.00 per fax.
- 6) Ad Hoc reports identified in the Statement of Work and Exhibit A-2 section K, will be invoiced at a mutually agreed upon price or \$150.00 per hour.
- 7) The unit pricing included above is fixed for 23 months from contract extension. If an optional extension is selected, fees may be adjusted based on the increase or decrease in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the most recently published percentage change for the 12-month period preceding the Agreement anniversary date, which shall be the effective date for any cost of living adjustment. However, any increase shall not exceed the general salary movement granted to County employees as determined by the County's Chief Executive Office (CEO) as of each July 1 for the prior 12-month period. Furthermore, should fiscal circumstances ultimately prevent the Board from approving any increase in County employee salaries no cost of living adjustments will be granted. Contractor shall request said adjustment six (6) months prior to the then current Extension Year expiration date. If so approved by County, the adjusted rates shall take effective upon County's exercise of the subsequent Extension Year.

EXHIBIT C-2

BUDGET

Effective November 27, 2007 through January 31, 2010

| COMMUNITY HEALTH PLAN | FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 | TOTAL | ASSUMPTIONS |
|--|------------------|------------------|------------------|------------------|-------------------|---|
| Complex Case Management Projected Term: 02/01/08-01/31/11 | 77,854 | 186,850 | 186,850 | 108,996 | 560,550 | 166,000 CHP members |
| Disease Management Projected Term: 02/01/08-01/31/11 | 1,102,240 | 2,645,376 | 2,645,376 | 1,543,136 | 7,936,128 | 166,000 CHP members, .03 call rate NAL, .005 call rate Navigation, .005 call rate for Audio Library, .001 call rate for Informed Decision Support |
| Nurse Advice Line Projected Term: 01/01/08-12/31/10 | 89,015 | 178,030 | 178,030 | 89,015 | 534,090 | 166,000 CHP members, .03 call rate NAL, .005 call rate Navigation, .005 call rate for Audio Library, .001 call rate for Informed Decision Support |
| Wellness Program Projected Term: 02/01/08-01/31/11 | 183,430 | 440,232 | 440,232 | 256,802 | 1,320,696 | 166,000 CHP members |
| Subtotal | 1,452,539 | 3,450,488 | 3,450,488 | 1,997,949 | 10,351,464 | |
| 5% Unscheduled Work Fund ¹ | 72,627 | 172,524 | 172,524 | 99,897 | 517,572 | |
| CHP TOTAL | 1,525,166 | 3,623,012 | 3,623,012 | 2,097,846 | 10,869,036 | |

| HEALTHY WAY L.A. | FY 2007-08 | FY 2008-09 | FY 2009-10 | FY 2010-11 | TOTAL | ASSUMPTIONS |
|--|---------------|---------------|---------------|---------------|----------------|--|
| Nurse Advice Line Projected Term: 12/01/07-08/31/10 | 45,635 | 78,232 | 78,232 | 13,039 | 215,137 | 93,000 HWLA enrollees and 3% call rate NAL |
| 5% Unscheduled Work Fund ¹ | 2,282 | 3,912 | 3,912 | 652 | 10,757 | |
| HWLA TOTAL | 47,917 | 82,144 | 82,144 | 13,691 | 225,894 | |

| | | | | | |
|-------------------------------|------------------|------------------|------------------|------------------|-------------------|
| GRAND TOTAL CHP + HWLA | 1,573,083 | 3,705,156 | 3,705,156 | 2,111,537 | 11,094,930 |
|-------------------------------|------------------|------------------|------------------|------------------|-------------------|

¹Covers costs for unscheduled work such as ad hoc reports, paper-based health assessments, etc. and other cost shown in Schedule B, RATE SCHEDULE.

Effective February 1, 2010 through January 31, 2012

| COMMUNITY HEALTH PLAN | FY 2010-11 (Feb - Jun) | FY 2011-12 (Jul - Jan) | TOTAL | ASSUMPTIONS |
|---------------------------------------|---------------------------|---------------------------|------------------|---|
| Nurse Advice Line | 233,177 | 326,448 | 559,625 | 200,000 CHP members, .05 call rate NAL, .03 AHL, .01 IDS, .026 Navigation |
| Complex Case Management | 93,800 | 131,320 | 225,120 | 200,000 CHP members |
| Disease Management | 1,332,168 | 1,865,032 | 3,197,200 | 200,000 CHP members |
| Subtotal | 1,659,145 | 2,322,800 | 3,981,945 | |
| 5% Unscheduled Work Fund ² | 82,957 | 116,140 | 199,097 | |
| CHP TOTAL | 1,742,102 | 2,438,940 | 4,181,042 | |

| HEALTHY WAY L.A. | FY 2010-11 (Feb - Jun) | FY 2011-12 (Jul - Jan) | TOTAL | ASSUMPTIONS |
|---------------------------------------|---------------------------|---------------------------|---------------|---|
| Nurse Advice Line | 35,050 | 49,070 | 84,120 | 100,000 - HWLA enrollees and 3% call rate NAL |
| 5% Unscheduled Work Fund ² | 1,753 | 2,454 | 4,206 | |
| HWLA TOTAL | 36,803 | 51,524 | 88,326 | |

| | | | |
|-------------------------------|------------------|------------------|------------------|
| GRAND TOTAL CHP + HWLA | 1,778,905 | 2,490,464 | 4,269,368 |
|-------------------------------|------------------|------------------|------------------|

Effective February 1, 2012 through December 31, 2013

| Healthy Way L.A. | FY 2011-12 (Feb - Jun) | FY 2012-13 (Jul - Jun) | FY 2013-14 (Jul - Dec) | TOTAL | ASSUMPTIONS |
|---------------------------------------|---------------------------|---------------------------|---------------------------|----------------|--|
| Nurse Advice Line | 44,080 | 168,062 | 117,258 | 329,400 | 103,130 enrollees/members based on growth of 7,500 through December 31, 2011. Thereafter, 10,000 per month. Growth factor was identified by HWLA Operation Full Enrollment. Projected call rate 0.026 at an average of \$28.04 per call. |
| 5% Unscheduled Work Fund ³ | 2,204 | 8,403 | 5,863 | 16,470 | |
| TOTAL | 46,284 | 176,465 | 123,121 | 345,870 | |

²Covers costs for unscheduled work such as ad hoc reports, paper-based health assessments, etc. and other cost shown in Schedule B-1, RATE SCHEDULE.

³Covers costs for unscheduled work such as ad hoc reports and others cost shown in Schedule B-2, RATE SCHEDULE.